

New Jersey Educational Opportunity Fund
Response to Assembly Budget Committee EOF Questions

Dr. Sang Jin Kim, Chair, EOF Board of Directors

Dr. Glenn B. Lang, Executive Director, EOF

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Overview

The following paper is a response to an inquiry from the Assembly Budget Committee during the fiscal 2003 hearings. The Budget Committee requested graduation rate data for the last five years. The staff response provides a brief overview of the program and service population. In addition to six-year cohort graduation data for senior public colleges and universities by sector (four-year for the county colleges) the response also includes third and fifth semester student retention rates. In general the data demonstrate that despite an extended period of level funding the Fund's student cohort retention and graduation rates held steady and/improved.

Introduction

The New Jersey Educational Opportunity Fund (EOF) was originally envisioned as a program to provide access to higher education to needy students from educationally and economically disadvantaged backgrounds. Over time, the Fund's mission has grown from that of providing entry (access) to higher education to include improving short-term persistence (retention) rates of EOF students. With the increasing sophistication of information management, the mission has been further expanded to embrace improving students' chances of graduation.

The Fund's legislation permits students twelve (12) terms or semesters of undergraduate financial support. This translates into giving a student up to six (6) years to graduate with the Fund's support. The legislation delegates significant policy authority to the EOF Board. As a result, the Board limited the total amount of funding that a student may receive at a county college to eight (8) semesters or four (4) years. This provides a remaining four (4) semesters (two years) of eligibility for a student who transfers to a baccalaureate program.

Who the Fund Serves

Before reviewing EOF student data, it is important to put the EOF student population in context. By policy and practice, the population of EOF students enrolled at NJ colleges and universities are among the neediest. In addition to being low-income, they must also come from a background of educational disadvantage. That is their K-12 experiences have been in environments least conducive to preparation for higher education as evidenced by low standardized test scores, but not necessarily low grades or low class rank. The research demonstrates conclusively that there is a direct relationship between family income, parents'

level of education and quality of a student's educational preparation evidenced by measures such as performance on standardized tests. The research consistently demonstrates that students from low-income families, students whose parents had no more than a high school education, and students who graduated from high schools in which 25 percent or more of the students were eligible for free or reduced-price lunches were less likely than their more advantaged counterparts to report completing rigorous high school curricula that adequately provides the academic preparation for college.

EOF provides access and opportunity for students who for no fault of their own come from environments of economic and educational disadvantage. EOF provides opportunity for "late bloomers" who come from disadvantaged backgrounds and the Fund provides a "second chance" for those older students who now recognize and are motivated to pursue the benefits of a higher education.

- Close to one-half of the EOF student population attended public school in an Abbott¹ or DFG² A or B school district.
- EOF students come from families with significantly less resources and assets than others. The median annual pre-tax family income for EOF students (family size four) is \$21,000. In comparison, New Jersey's median family income is \$65,370.
- EOF students are first-generation college students. They do not come from communities where college degree attainment is prevalent. That is they come from homes where neither parent has completed a college degree. Approximately 32% of NJ residents over the age of 24 have completed at least a bachelor's degree. The 2000 Census data demonstrates that less than 10% of the residents in communities classified as DFG A and B or Abbott have college degrees.

Short-term Retention

1 "Abbott district," means one of the following 28 urban districts in district factor group A and B specifically identified in the appendix to Raymond Abbott, et al. v. Fred G. Burke, et al. decided by the New Jersey Supreme Court on June 5, 1990 (119 N.J. 287, 394) as follows: Asbury Park City, Bridgeton City, Burlington City, Camden City, East Orange City, Elizabeth City, Garfield City, Gloucester City, Harrison Town, Hoboken City, Irvington Township, Jersey City, Keansburg Borough, Long Branch City, Millville City, New Brunswick City, Newark City, City of Orange Township, Passaic City, Paterson City, Pemberton Township, Perth Amboy City, Phillipsburg Town, Pleasantville City, Trenton City, Union City, Vineland City, and West New York Town, and the following districts not included above but designated Abbott districts pursuant to P.L. 1999, c.110, Neptune Township and Plainfield, and such other districts as may qualify in the future. Abbott district shall not include a charter school located within any of these districts

2 The DFG is an index of socioeconomic status that is created using data for several "indicators" available in the decennial Census of Population. Socioeconomic status cannot be measured directly. Rather, the literature holds that it is a function of other, measurable quantities (traditionally, the basic three are income, occupation, and education). Therefore, the DFG is a composite statistical index created using statistical procedures, a "model" of socioeconomic status, and input data for various socioeconomic traits. The DFG was developed by the NJ Department of education for reporting of test scores and school financing. Arguments made before the courts in Robinson and later in Abbott took explicit account of the DFG and socioeconomic status in calculating spending differences between districts. Because the supreme court explicitly used the DFG as a means of identifying the districts for which special funding provisions would apply, as well as those districts whose spending levels are to be the target, the DFG has taken on new and increased significance. DFG A and B districts are the "poorest" public school districts.

Across all sectors, the Fund has realized significant gains in “short-term retention.” Short-term retention is the percentage of students returning for a second and/or third year of enrollment. Figure 1 follows changes in the sector, cohort retention rates of EOF students beginning with the 1986 fall freshman class up to the class entering fall 2000. Across all sectors, there was a major improvement in retention rates. The past five cohorts, enrolled through a period of level funding, have seen steady overall retention rates and fortunately no decline(s). This was achieved by employing major program efficiencies and tapping the dedication of campus-level staff. Additionally, the funding source (EOF Board of Directors) purposely sought to significantly reduce the amount of paperwork formerly required from the programs, which allowed campus staff more time to be devoted to providing direct student services. In stark contrast, the preceding period of rapid student performance improvement was characterized by a significant investment of time and funding in staff development, funding to expand summer programs and academic year support services, and sufficient staff to develop and implement the EOF data-driven accountability model.

Figure 1
EOF 3rd Semester Cohort Retention Rates by Sector

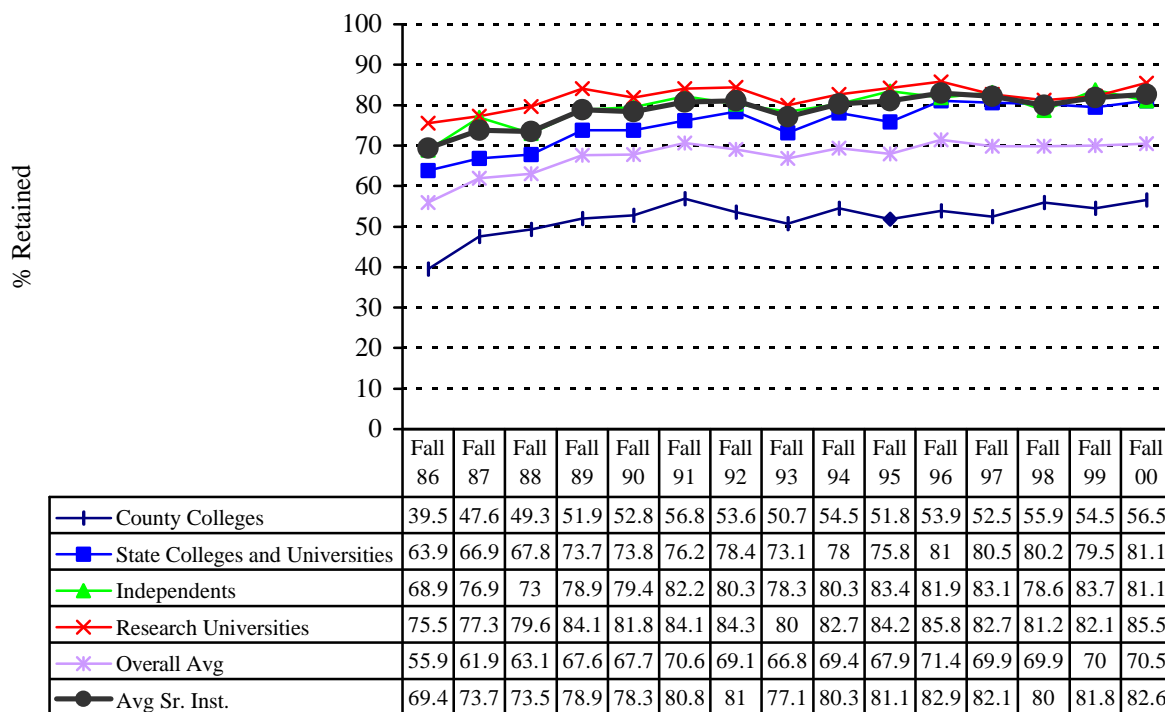
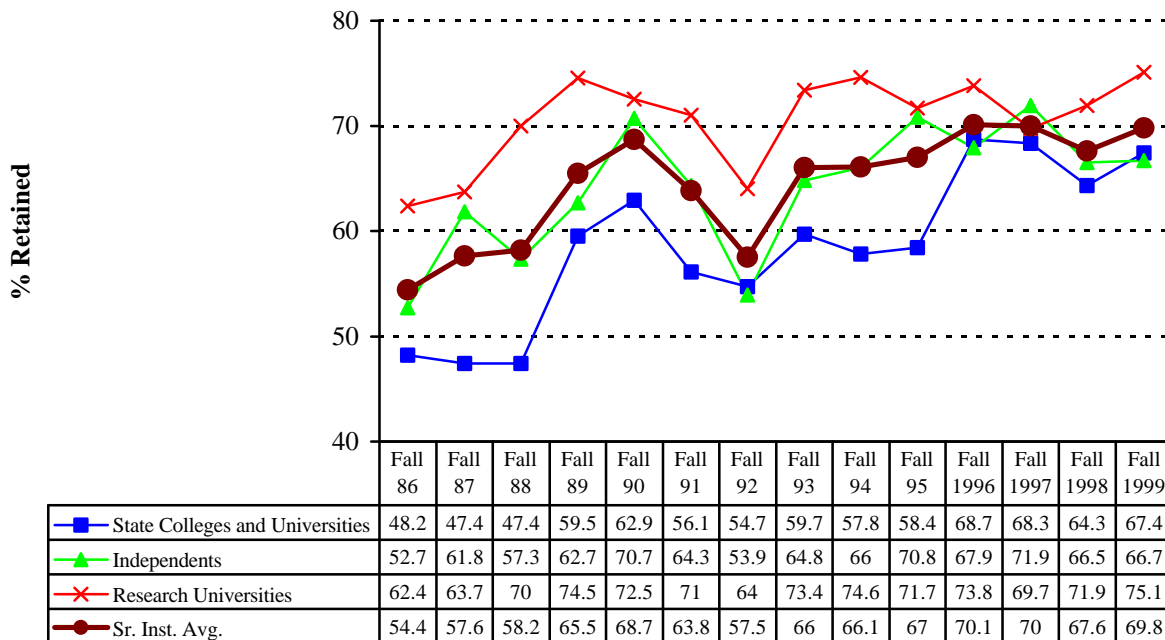


Figure 2 follows changes in the fifth semester cohort retention rates of EOF students by sector beginning with the 1986 fall freshman class up to the class entering fall 1999. These are the percentage(s) of students returning for the third year of college. While the percentages fluctuate, the trend demonstrates overall improvement and smaller fluctuations between cohorts. The improvements have been a result of an expansion of the EOF retention model beyond the freshman year. Improving fifth semester retention (and beyond) are major goals for the Fund.

Figure 2
EOF 5th Semester Cohort Retention Rates by Sector



Graduation Rates

Improving overall graduation rates is the greatest challenge facing the Fund. While not in the original mission, this area has become equally as important as access and short-term retention. Figure 3 reports the most recent six-year EOF graduation rates by sector. While there has been general improvement, there is room for improvement, especially in the state sector, which enrolls the largest proportion of EOF students pursuing baccalaureate degrees. It is important to note that the programs in the state colleges and universities tend to be larger than in the others sectors and enroll the greatest number of high-risk students. The programs in the independents sector tend to be much smaller. In general, the programs at the research universities tend to enroll better-prepared students (than their state college and university counterparts) and are similar in size to most programs in the state sector. Unlike improvements in short-term retention rates, raising graduation rates is a strategic challenge that requires long-term programming and investments.

Consistent across institutions, are a number of students who have not graduated but continue to be enrolled (retained). An average of five to ten-percent of each cohort of students are retained, but have not graduated at the six-year point.

Figure 3
EOF 6-year Cohort Graduation Rates,
Senior Public & Independent Institutions

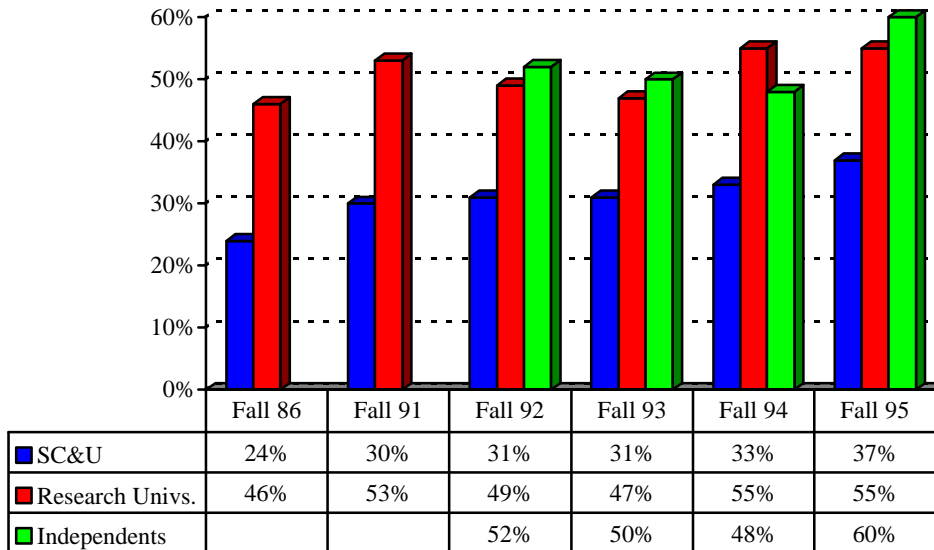


Figure 4 provides EOF student cohort outcomes for the county colleges. Transfer is a special mission of county colleges and is included as one of the student outcome measures. Approximately 25% of students enrolled at county colleges graduate or transfer before graduation. On average, another ten-percent are still enrolled (retained) after four years. An additional form of data is available from the county colleges; the percentage of students who dropped out but were in good academic standing at that time. Data reported from the colleges indicate approximately 26% of students who drop or stop out and who do not return, were in good academic standing.

Figure 4
EOF 4-Year Cohort Success Rates, County Colleges

